Distr.
GENERAL

IDB.23/10
25 September 2000

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Twenty-third session
Vienna, 14-16 November 2000
Item 5 of the provisional agenda

FIELD REPRESENTATION

Report by the Director-General

Provides information on the status of UNIDO offices in the field as of 31 August 2000.

Introduction

1. A number of reports on UNIDO field representation have been prepared and submitted to the policy-making organs in recent years as called for in various mandates. Since the adoption of the Business Plan in 1997, the following reports on field representation have been issued to the Board: IDB.19/11, IDB.19/CRP.8, IDB.20/16, IDB.20/CRP.16, IDB.21/10 (chap.VI), IDB.21/19 and IDB.22/2 (chap.I.B).

2. The drastic reduction of UNIDO's core budget since 1995, the withdrawal of United Nations Development Programme (UNDP) support since 1997, and the lower-than-expected volume of technical cooperation projects in UNIDO have constrained the ability of the Organization to strengthen the field programme and further decentralize as mandated by the Member States in the Business Plan. Decentralization was the subject of a conference room paper submitted to the sixteenth session of the Programme and Budget Committee (PBC.16/CRP.5). In its conclusion 2000/5, the Committee invited the Director-General to conduct consultations with Member States to identify a course of action to bring about effective decentralization. The results of the consultations will be covered in separate documentation to be issued to the Board. The present document reports on the status of field offices as of 31 August 2000.

I. NUMBER AND LOCATION OF FIELD OFFICES

3. Through extensive consultations with Member States, including some donor countries, UNIDO selected the location of regional offices based on qualitative and quantitative criteria. The offices selected are:

Africa	Ethiopia, Zimbabwe
Arab	Egypt, Lebanon
Asia and Pacific	India, Thailand
Latin America and Caribbean	Colombia, Uruguay

Subsequently, the Nigeria office was made a UNIDO regional industrial centre.

4. The methodology and rationale for this selection were set out in document IDB.21/19 of 6 May 1999, and the core structure of the regional offices was detailed in

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

V.00-57296 (E)E

Distr.: 3 October 2000

Director-General's Administrative Instruction No. 12 of 8 October 1999. All the selected regional offices are operational with a single exception. The heads of the established offices—four of whom were redeployed from the Office of the Director-General—have taken up their assignments, and it is expected that the technical staffing will also be in place by the end of 2000.

5. At present, UNIDO has 22 country-level field offices and 9 regional offices, bringing the total to 31 field offices, for which a breakdown is provided in the annex to the present document.

II. REDEPLOYMENT OF STAFF AND RESOURCES

6. The Business Plan also called for the redeployment of resources and Professional staff to the field. In pursuance of this objective, UNIDO has increased its allocation of financial resources and concentrated on the redeployment of Headquarters staff. In financial terms, UNIDO increased the field programme budget for the biennium 2000-2001 by $5 million (from $18 million in 1998-1999 to $23 million in 2000-2001), representing an increase of 28 per cent. In terms of staff, the increase amounted to 43 per cent (from 35 posts for field offices in 1998-1999 to 50 in 2000-2001).

7. Most of the regional offices are headed by redeployed Headquarters staff, and the redeployment of 18 technical staff from Headquarters to the regional offices is under way. At present there are 24 UNIDO Professional staff in the field, of which 22 or 92 per cent were redeployed from Headquarters. An additional 26 are expected to be fielded by the end of the year.

III. EMPOWERMENT

8. Documentation issued to previous Board sessions provided detailed information concerning administrative instructions to enable field offices to take decisions on programmatic activities, the purchase of equipment, hiring of local consultants and field-level coordination with United Nations agencies. Management is now embarking on the provision of funds to field offices to undertake programmatic activities. Funds have been provided to the offices in India and Nigeria, with allocations to other field offices to follow shortly.

9. Despite the efforts reported to the Board in previous documents, it has not yet been possible to realize the full objective of effective decentralization through the transfer to the field of substantive responsibility for programme formulation, development and implementation. An improvement in this situation is linked to the overall question of decentralization and will be covered in the consultations with Member States to be conducted in line with Programme and Budget Committee conclusion 2000/5.

IV. HOST COUNTRY AGREEMENTS AND CONTRIBUTIONS

10. Gradual progress has been made with regard to host country agreements and contributions in support of local operating costs. Experience has shown that the review and consideration of agreements are time-consuming owing to the legal and administrative modalities prevailing in host countries. Table 1 shows the countries with which agreements have been signed, as well as those with which agreements are at an advanced stage of negotiation.

Table 1. Host country agreements
As of 31 August 2000

Signed	Advanced stage of negotiation
Colombia	Egypt
Côte d'Ivoire	Morocco
Ghana	Thailand
Lebanon	Zimbabwe
Tunisia	
Turkey	

Iran (Islamic Republic of)—Country office based on memorandum of understanding with Government (cost-sharing by host Government).

Uruguay—Regional office established based on memorandum of understanding with UNDP (cost-sharing through in-kind contribution).

11. Local contributions in support of country offices have not measured up to expectations, despite efforts by the Secretariat. Table 2 shows host country cash contributions to support local operating costs. In-kind contributions are also received from some host countries (Cameroon, China, Colombia, Côte d'Ivoire, Egypt, Ghana, Guinea, Indonesia, Iran (Islamic Republic of), Lebanon, Sudan, Tunisia, Uganda, Uruguay and Viet Nam) for example through the provision of local staff, premises, furniture and equipment, maintenance and repair and utility costs.

Table 2. Cash contributions received from host countries, 1 January – 31 August 2000 (In US dollars)

Africa	Cameroon	34,029
	Nigeria	83,250 or 110,000*
	Togo	36,895*
Arab	Algeria	34,000*
	Egypt	89,940**
	Lebanon	13,284*
	Sudan	3,030*
	Tunisia	14,420*
Asia and Pacific	China	34,000*
	Pakistan	9,272
	India	115,000
Europe	Turkey	200,000
Latin America and Caribbean	Colombia	10,000

* Informed but not yet received
** Under negotiation

V. UNIDO FIELD OFFICES WITHIN THE UNITED NATIONS SYSTEM

12. UNIDO field offices maintain close contact with other United Nations agencies at the field level, including bilateral donor representatives and development finance institutions. The offices participate as active members of the United Nations country teams playing a critical role in the Common Country Assessments and the United Nations Development Assistance Framework (UNDAF) processes. They are fully integrated into the growing network of United Nations entities to yield increased efficiency through sharing of support services and reduced administrative costs.

VI. ACTION REQUIRED OF THE BOARD

13. The Board may wish to take note of the information provided in the present document.

Annex

UNIDO FIELD OFFICES AS AT 31 AUGUST 2000

	AFRICA	ARAB	ASIA	EUROPE/NIS	LATIN AMERICA/ CARIBBEAN
Regional office	Ethiopia	Egypt	India		Colombia
	Nigeria	Lebanon	Thailand		Uruguay
	Zimbabwe				
Country office	Cameroon	Algeria	China	Turkey	Bolivia
	Côte d'Ivoire	Morocco	Indonesia		Mexico
	Ghana	Sudan	Iran, Islamic Rep. of		
	Guinea	Tunisia	Pakistan		
	Kenya		Philippines		
	Madagascar		Viet Nam		
	Senegal				
	U. R. of Tanzania				
	Zambia				

Remarks: Ghana/UR under recruitment.
Guinea/UR under recruitment.
Zambia/UR under recruitment.
Morocco/UR under recuitment.
Iran, Islamic Republic of/UR under process of recruitment.
Philippines/UR under recruitment.
Turkey/UNIDO Centre for Regional Cooperation.
Mexico/UR under recruitment.